



TECHNOLOGY VENTURE HOLDINGS LIMITED

宏昌科技集團有限公司*

(Incorporated in Bermuda with limited liability)

PLACING OF EXISTING SHARES AND SUBSCRIPTION FOR NEW SHARES

Mr. Chan Tze-ngon, Ron ("Mr. Chan") is a substantial shareholder of Technology Venture Holdings Limited (the "Company"). Mr. Chan will place up to 60,000,000 existing shares (the "Placing Shares") of HK\$0.1 each of the Company (the "Shares") at a price of HK\$0.53 per Share (the "Placing Price") (the "Placement"). Thereafter, Mr. Chan will subscribe for such number of new Shares which shall be equal to the number of Shares under the Placement (the "Subscription Shares") at a price per Share equivalent to the Placing Price (the "Subscription"). Assuming all the 60,000,000 existing Shares have been placed, Mr. Chan will subscribe for 60,000,000 Shares, and the net proceeds of the Subscription will be approximately HK\$30 million which will be used as general working capital of the Company.

The Placing Shares will be placed through a placing agent (the "Placing Agent"), namely Sun Hung Kai International Limited, on a best effort basis to independent places.

Mr. Chan currently holds approximately 21.03% of the Company's existing issued share capital. Assuming the Placing Shares have been fully placed, the Placement will reduce Mr. Chan's holding to approximately 5.76% of the Company's existing issued share capital, and the Subscription will then increase Mr. Chan's holding to approximately 18.25% of the Company's enlarged issued share capital.

At the request of the Company, trading in the Shares was suspended with effect from 9:39 a.m. on 21st May, 2002 pending publication of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 22nd May, 2002.

PLACING AGREEMENT DATED 21ST MAY, 2002

Vendor:

Mr. Chan, a substantial shareholder and Chairman of the Company, who owned approximately 21.03% of the Company's existing issued share capital.

Number of Shares to be placed:

Up to 60,000,000 existing Shares to be placed through the Placing Agent. This represents approximately 15.28% of the Company's existing issued share capital of 392,769,231 Shares.

Placement to:

Independent places, the number of which is expected to be more than six.

Placement price:

HK\$0.53 per Placing Share.

The Placing Price represents: (i) a discount of approximately 17.19% to the closing price of HK\$0.64 per Share as quoted on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 17th May, 2002, being the last trading day prior to the suspension of trading of the Shares; and (ii) a discount of approximately 14.52% to the 10-day average closing price of HK\$0.62 per Share as quoted on the Stock Exchange for the 10 consecutive trading days ended on 17th May, 2002.

Placing agent:

Sun Hung Kai International Limited, who will arrange the Placement on a best effort basis.

Independence of places and Placing Agent:

The places and the Placing Agent are independent of and not connected with Mr. Chan. They are also independent of and not connected with any of the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries, or any associates (as defined in the Rules Governing the Listing of Securities on the Stock Exchange) of any of them.

Conditions of the Placement:

The Placement is unconditional.

Completion of Placement:

Expected on or before 24th May, 2002.

SUBSCRIPTION AGREEMENT DATED 21ST MAY, 2002

Subscriber:

Mr. Chan

Number of new Shares subscribed for:

Assuming the Placing Shares have been fully placed, the number of the Subscription Shares will be 60,000,000 Shares and will be equivalent to approximately 15.28% of the Company's existing issued share capital of 392,769,231 Shares and approximately 13.25% of its issued share capital of 452,769,231 Shares as enlarged by the Subscription.

Subscription price:

The subscription price per Subscription Share is equivalent to the Placing Price. The total expenses of the Placement and the Subscription are estimated to be approximately HK\$1.8 million, which will be paid by the Company.

Mandate to issue new Shares:

The Subscription Shares will be issued under the general mandate to issue Shares granted to the directors of the Company at the annual general meeting of the Company on 30th May, 2001.

Ranking:

The Subscription Shares will rank equally in all respects and among themselves with the existing issued Shares of the Company on the date of allotment and issue.

Conditions of the subscription:

The Subscription will be conditional upon the fulfilment of the following on or before the fourteenth day from 21st May, 2002 (the "Long-stop Date"):

- (a) the completion of the Placement; and
- (b) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Subscription Shares.

If the aforesaid conditions cannot be fulfilled on or before the Long-stop Date, the Subscription shall become null and void.

The Company will apply to the Listing Committee for the listing of and permission to deal in the Subscription Shares. The Subscription is expected to be completed on or before 31st May, 2002.

Use of Proceed:

Assuming the Placing Shares have been fully placed, Mr. Chan shall subscribe for 60,000,000 Shares, and the net proceeds of the Subscription will be approximately HK\$30 million which will be used as general working capital of the Company.

At the request of the Company, trading in the Shares was suspended with effect from 9:39 a.m. on 21st May, 2002 pending publication of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 22nd May, 2002.

By Order of the Board of
Technology Venture Holdings Limited
Mr. Chan Tze-ngon, Ron
Chairman

*Please also refer to the published version of this announcement in
Hong Kong iMail and Hong Kong Economic Times.*